

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ACCREDITATION AND APPROVAL OF A)
PUBLIC SERVICE COMMISSION WATER)
PERSONNEL TRAINING SEMINAR AS A) CASE NO. 2012-00275
WATER DISTRICT COMMISSIONER TRAINING)
PROGRAM)

ORDER

KRS 74.020(7) requires that this Commission “encourage and promote the offering of high quality water district management training programs that enhance a water district commissioner’s understanding of his or her responsibilities and duties.” KRS 74.020(8) requires the Commission to conduct a program of instruction “to train newly appointed commissioners in the laws governing the management and operation of water districts and other subjects that the Public Service Commission deems appropriate.”

Pursuant to these statutory mandates, the Commission conducted training seminars at Dale Hollow State Resort Park, Kentucky on August 24-25, 2011 and at Lake Barkley State Resort Park, Kentucky on November 16-17, 2011. These seminars included instruction regarding trends in applicable laws and regulations, risk management and utility administration.¹

¹ A course syllabus for each training seminar is appended to this Order.

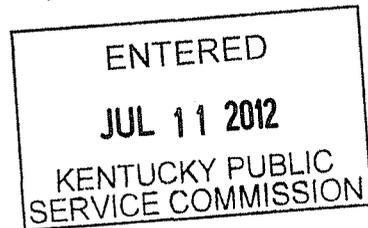
Based upon a review of the course curriculum, the Commission finds that:

1. The course of instruction provided at these seminars will enhance a water district commissioner's understanding of his or her duties.

2. The seminars conducted at Dale Hollow State Resort Park, Kentucky on August 24-25, 2011 and at Lake Barkley State Resort Park, Kentucky on November 16-17, 2011 should each be approved for 12 credit hours of water district management training and for 12 hours of new water district commissioner training.

IT IS HEREBY ORDERED that the 2011 Water Personnel Training Seminars, which the Commission conducted at Dale Hollow State Resort Park, Kentucky on August 24-25, 2011 and at Lake Barkley State Resort Park, Kentucky on November 16-17, 2011 are each approved for a maximum of 12 credit hours of water district management training and for a maximum of 12 credit hours of new water district commissioner training.

By the Commission



ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00275 DATED JUL 11 2012

2011 Water Personnel Training
Presented by the Public Service Commission
Dale Hollow State Resort Park – August 24-25, 2011

Wednesday, August 24th

7:30 - 8:00 Registration and Breakfast

8:00 – 8:15 **Room A** - Program Overview and Welcome – Commissioner Charles Borders

8:15 - 9:45 **Annual Training – Room A**

Recent Developments in Utility Regulation – Gerald Wuetcher

A review of the recent developments in public utility law and regulation. Recent changes in Kentucky statutes affecting the operation of water utilities will be discussed. Recent Public Service Commission's decisions that affect water utilities, personnel, and organizational changes at the Public Service Commission will also be examined. New Public Service Commission initiatives will be briefly discussed.

New Commissioner Training – Room B

Commissioner Board Meetings – Damon Talley

Presentation addresses the rules and procedures that should be followed at the meetings of a water district's board of commissioners. Presenter will also discuss how board member should prepare for meeting, the roles of board members and district management at board meetings, and frequently recurring problems at such meetings and how to address them. The requirements of the Open Meetings Act will also be briefly discussed.

9:55 - 10:55 **Annual Training – Room A**

Energy Efficiency - Randall Kelley

Presentation focuses on actions that water utilities may pursue to reduce their energy consumption and costs.

New Commissioner Training – Room B

PSC Regulatory Requirements – Gerald Wuetcher

A review of the Public Service Commission's jurisdiction over water districts and the statutory and regulatory requirements that are imposed upon water districts as a result of their status as public utilities.

11:05 - 12:05 **Annual and New Commissioner Training – Room A**

Open Records/Open Meetings Acts – Todd Osterloh

This presentation reviews the principal provisions of the Open Records Act and Open Meetings Act. Also, handling a request for information under the Open Records Act and the effect of the Open Meetings Act on meetings of the board of water district commissioners is discussed.

12:05 - 1:05 **Lunch**

1:05 - 2:05 **Annual Training – Room A**

PSC Jurisdiction over Municipal Utilities – Gerald Wuetcher

The presentation examines Public Service Commission jurisdiction over municipal utility rates from a historical prospective. The Commission's efforts since 1994 to regulate municipal utility wholesale rates in light of the Kentucky Supreme Court decision in *Simpson County Water District v. City of Franklin* will be emphasized. Current Commission policies and rules regarding the applications of municipal utilities for rate adjustments will be discussed as well as potential revisions to those rules.

New Commissioner Training – Room B

Internal Controls – Scott Lawless

This presentation explains the need for, and purpose of, internal controls and identifies common controls that every water district should consider. The Auditor of Public Accounts' recommendations for public and non-profit boards will also be reviewed and discussed.

2:15 – 4:25

Annual Training – Room A

Panel Discussion: PSC Regulation of Municipal Utility Wholesale Rates - The Good, the Bad and the Ugly. Damon Talley (Kentucky Rural Water Association), Joe Ewalt (Kentucky League of Cities), Roger Recktenwald (Kentucky Association of Counties), David Spenard (Office of Attorney General), Chris Brewer and Ron Herd (KY Municipal Utility Association)

A panel discussion on whether the Public Service Commission's regulation of municipal utility wholesale rates. Topics include the Commission regulation of municipal rates is good public policy, the practical problems with Commission regulation of municipal rates and the Commission's regulatory processes, potential revisions to the Commission's current procedures to correct these problems, and actions that municipal and public utilities can take to avoid these problems. After initial presentations, panelists will take audience questions and comments.

2:15 – 3:15

New Commissioner Training – Room B

Risk Management – Kentucky Association of Counties

Presentation will review risk management activities, including insurance, retained losses, and prevention activities that water utilities can implement.

3:25 – 4:25

New Commissioner Training – Room B

Budgeting and Asset Management – Kim Padgett and Jared Schmal

As a new commissioner, one of your most important responsibilities is to ensure your system brings in sufficient revenue to cover the cost of delivering a safe and adequate supply of drinking water to your customers. In this session, we will discuss budget requirements and financial tools that a system can use to establish asset rehabilitation, prioritize maintenance needs, and have sufficient funds for repairs and improvements.

5:30 - 8:30

Office Manager/Office Personnel Training – Room A of Conference Center

Evening Session – Sam Reid, Ginny Smith, and Jerry Wuetcher

The evening sessions are primarily focused towards office managers/office personnel and will include discussions on issues related to Consumer Services, Tariffs, Purchased Water Adjustments, Nonrecurring Charges, and an Open Topic Discussion Forum. If you have anything you'd like to get help with concerning these topics, please be prepared to discuss it. This is your chance to get some one-on-one time with the PSC staff members.

Thursday, August 25th

7:30 - 8:00

Breakfast and Sign-In

8:00 - 9:30

Annual and New Commissioner Training – Room A

Ethics: A Practical Exercise – Gerald Wuetcher

A review of ethics laws and principles that affect water utility policy makers and managers through the use of diverse and commonly recurring fact situations.

9:40 - 10:40

Annual Training – Room A

Kentucky Division of Water Update – Julie Roney

A presentation on recent developments and activities at Kentucky Division of Water. Includes a brief overview of revisions to the agency's administrative regulations and proposed revisions to federal drinking water laws and regulations.

New Commissioner Training – Room B

Operation of WD/WA – Legal Aspects – Gerald Wuetcher

A review of the provisions of Chapter 74 involving the creation, management, operation and dissolution of water districts. Other statutory provisions, such as the Whistle Blowers Act, Claims against Local Government Act, Bidding Requirements provision of KRS Chapter 424, Eminent Domain, Local Model Procurement Law and general laws related to special districts, will also be discussed. Presenter will also provide a comparison with legal requirements for water associations.

10:50 - 11:50

Annual Training – Room A

Rate Cases Made Easy – Scott Lawless

A review of the requirements for rate case applications and other regulatory filings. Emphasis is on the practical aspects of preparing a case for submission to the PSC and its subsequent presentation. Speaker will discuss the problems that regulators commonly find with such filings and practices that utilities can use to not only avoid such problems but more quickly navigate the regulatory process.

New Commissioner Training – Room B

Operation of WD/WA – Legal Aspects (Continued) – Gerald Wuetcher

11:50 – 1:00

Lunch

1:00 – 2:00

Annual Training – Room A

Consumer Relations – Virginia Smith

Presentation will focus on the regulatory aspects of customer relations. Topics include the Customer Bill of Rights, customer billing disputes, installation and termination of utility service, and the Commission's informal and formal complaint processes. Presenter will also address landlord-tenant utility service issues, imputation of utility bills to family members, and the importance of tariffs and water user agreements.

New Commissioner Training – Room B

Water Quality Law and Drinking System Basics – Julie Roney

This presentation provides an overview of treatment and distribution, focusing on the major processes, why the processes are important in terms of public health and safety, and terms used in the industry. It will also cover the primary regulations dealing with the Safe Drinking Water Act and the Clean Water Act.

2:10-3:10

Annual Training – Room A

PSC Small Utilities Initiative – Gerald Wuetcher

Presentation on the Public Service Commission's recent initiative to assist small utilities. Presenter will describe the background that led to the PSC's initiative, the services that the PSC intends to provide, how a utility's priority for such services will be determined, and the educational and outreach efforts that are involved in the initiative.

New Commissioner Training – Room B

Water Quality Law and Drinking System Basics (Continued) – Julie Roney

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00275 DATED JUL 11 2012

2011 Water Personnel Training
Presented by the Public Service Commission
Lake Barkley State Resort Park – November 16-17, 2011

Wednesday, November 16th

- 7:30 - 8:00 Registration and Breakfast
- 8:00 – 8:15 **Room A** - Program Overview and Welcome
- 8:15 - 9:45 **Annual Training – Room A**
Recent Developments in Utility Regulation – Gerald Wuetcher and Brent Kirtley
A review of the recent developments in public utility law and regulation. Recent changes in Kentucky statutes affecting the operation of water utilities will be reviewed. Recent Public Service Commission's decisions that affect water utilities, personnel, and organizational changes at the Public Service Commission will also be examined: New Public Service Commission initiatives will be briefly discussed.
- New Commissioner Training – Room B**
Commissioner Board Meetings – Damon Talley
Presentation addresses the rules and procedures that should be followed at the meetings of a water district's board of commissioners. Presenter will also discuss how board member should prepare for meeting, the roles of board members and district management at board meetings, and frequently recurring problems at such meetings and how to address them. The requirements of the Open Meetings Act will also be briefly discussed.
- 9:55 - 10:55 **Annual Training – Room A**
Consumer Relations – Virginia Smith
Presentation will focus on the regulatory aspects of customer relations. Topics include the Customer Bill of Rights, customer billing disputes, installation and termination of utility service, and the Commission's informal and formal complaint processes. Presenter will also address landlord-tenant utility service issues, imputation of utility bills to family members, and the importance of tariffs and water user agreements.
- New Commissioner Training – Room B**
PSC Regulatory Requirements – Gerald Wuetcher
A review of the Public Service Commission's jurisdiction over water districts and the statutory and regulatory requirements that are imposed upon water districts as a result of their status as public utilities.
- 11:05 - 12:05 **Annual Training – Room A**
Rate Cases Made Easy – Scott Lawless
A review of the requirements for rate case applications and other regulatory filings. Emphasis is on the practical aspects of preparing a case for submission to the PSC and its subsequent presentation. Speaker will discuss the problems that regulators commonly find with such filings and practices that utilities can use to not only avoid such problems but more quickly navigate the regulatory process.
- New Commissioner Training – Room B**
Open Records/Open Meetings Acts – Gerald Wuetcher
This presentation reviews the principal provisions of the Open Records Act and Open Meetings Act. Responding to requests for information made pursuant to the Open Records Act and the effect of the Open Meetings Act on meetings of a water district's board of commissioners are also discussed.

- 12:05 - 1:05 **Lunch**
- 1:05 - 2:05 **Annual Training – Room A**
PSC Jurisdiction over Municipal Utilities – Gerald Wuetcher
The presentation examines Public Service Commission jurisdiction over municipal utility rates from a historical prospective. The Commission’s efforts since 1994 to regulate municipal utility wholesale rates in light of the Kentucky Supreme Court decision in *Simpson County Water District v. City of Franklin* will be emphasized. Current Commission policies and rules regarding the applications of municipal utilities for rate adjustments will be discussed as well as potential revisions to those rules.
- New Commissioner Training – Room B**
Internal Controls – Scott Lawless
This presentation explains the need for, and purpose of, internal controls and identifies common controls that every water district should consider. The Auditor of Public Accounts’ recommendations for public and non-profit boards will also be reviewed and discussed.
- 2:15 – 4:25 **Annual Training – Room A**
Panel Discussion: PSC Regulation of Municipal Utility Wholesale Rates - The Good, the Bad and the Ugly. Damon Talley (Kentucky Rural Water Association), Bert May (Kentucky League of Cities), Roger Recktenwald (Kentucky Association of Counties), David Spenard (Office of Attorney General), Chris Brewer and Ron Herd (KY Municipal Utility Association)
A panel will discuss the Public Service Commission’s regulation of municipal utility wholesale rates. Topics include whether Commission regulation of municipal rates is good public policy, the practical problems with Commission regulation of municipal rates and the Commission’s regulatory processes, potential revisions to the Commission’s current procedures to correct these problems, and actions that municipal and public utilities can take to avoid these problems. After initial presentations, panelists will take audience questions and comments.
- 2:15 – 3:15 **New Commissioner Training – Room B**
Budgeting and Asset Management – Kim Padgett and Jared Schmal
As a new commissioner, one of your most important responsibilities is to ensure your system brings in sufficient revenue to cover the cost of delivering a safe and adequate supply of drinking water to your customers. In this session, we will discuss budget requirements and financial tools that a system can use to establish asset rehabilitation, prioritize maintenance needs, and have sufficient funds for repairs and improvements.
- 3:25 – 4:25 **New Commissioner Training – Room B**
Drinking System Basics – Julie Roney
This presentation provides an overview of treatment and distribution, focusing on the major processes, why the processes are important in terms of public health and safety, and terms used in the industry.
- 5:30 - 8:30 **Office Manager/Office Personnel Training – Room A of Conference Center**
Evening Session – Brent Kirtley, Sam Reid, Virginia Smith, and Gerald Wuetcher
This session is geared towards office managers and office personnel. Panel will discuss issues related to consumer services, tariff, purchased water adjustments, and nonrecurring charges. Attendees are encourage to raise any issues related to the provision of utility service or the operation of their water utility.
(Refreshments will be provided.)

Thursday, November 17th

- 7:30 - 8:00 Breakfast and Sign-In
- 8:00 - 9:00 ***Annual Training – Room A***
Keys to Proper Filing – Sam Reid and Brent Kirtley
Presentation will cover a variety of filing issues for both cases and tariffs, including when to file, what to file, and how to file, as well as common filing mistakes. Electronic filing, website navigation, online tools, important tariff items, non-recurring charges, and suggested policies and procedures for commissioners and utility staff will be discussed.
- New Commissioner Training – Room B***
Operation of WD/WA – Legal Aspects – Gerald Wuetcher
A review of the provisions of Chapter 74 involving the creation, management, operation and dissolution of water districts. Other statutory provisions, such as the Whistle Blowers Act, Claims against Local Government Act, Bidding Requirements provision of KRS Chapter 424, Eminent Domain, Local Model Procurement Law and general laws related to special districts, will also be discussed. Presenter will also provide a comparison with legal requirements for water associations.
- 9:10 - 10:10 ***Annual Training – Room A***
Kentucky Division of Water Update – Julie Roney
A presentation on recent developments and activities at Kentucky Division of Water. Includes a brief overview of revisions to the agency's administrative regulations and proposed revisions to federal drinking water laws and regulations.
- New Commissioner Training – Room B***
Operation of WD/WA – Legal Aspects – Gerald Wuetcher
Continued . . .
- 10:20 - 11:20 ***Annual and New Commissioner Training – Room A***
Risk Management – Corey McIlvoy and Jeff Thompson - Kentucky Association of Counties
Presentation will review risk management activities, including insurance, retained losses, and prevention activities that water utilities can implement.
- 11:30 – 12:30 ***Annual Training – Room A***
Energy Efficiency - Randall Kelley
Presentation focuses on actions that water utilities may pursue to reduce their energy consumption and costs.
- New Commissioner Training – Room B***
Water Quality Law – Julie Roney
This presentation will cover the primary regulations dealing with the Safe Drinking Water Act and the Clean Water Act.
- 12:30 – 1:30 **Lunch**
- 1:30-3:00 ***Annual and New Commissioner Training – Room A***
Ethics: A Practical Exercise – Gerald Wuetcher
A review of ethics laws and principles that affect water utility policy makers and managers through the use of diverse and commonly recurring fact situations.

